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# **(WHY) UNDERSTANDING CUSTOMER SENTIMENT IS KEY TO CREATING BETTER CX**





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**Evan Beebe**

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# Customers Are More Demanding than Ever

Modern consumer expectations have changed drastically over the past three years. Today's customers expect a seamless, high-value experience, and the struggle for businesses is how to match these expectations in a cost-effective manner.

The **GBS and Shared Services State of Industry Survey 2022** reports that customer experience is viewed as the most popular way to demonstrate customer centricity. Similarly, a 2020 report from **McKinsey** explains how much delivering a strong customer experience (CX) mattered during a time of crisis such as the pandemic, where retaining customers became pivotal to businesses ability to navigate difficult times.

**"The recent shifts in consumer behaviors and expectations brought about by COVID-19 are forcing companies to change how they connect with and serve customers," the McKinsey report stated. "History clearly shows the value of investing in customer experience during a downturn. In the last economic recession, companies that prioritized customer experience realized three times the shareholder returns compared to the companies that did not."**

Now, as we enter another time of economic instability, organizations are yet again faced with the need to deliver a customer experience that is effortless.

**SSON Research & Analytics** data suggests that shared services organizations (SSOs) and Global Business Services (GBS) are aware they need to account for customer experience in their decision-making but are not viewing it

as enough of a priority. 66% of organizations said enhancing CX is critical "to a great extent" for their organization. However, according to the **"State of Shared Services & Outsourcing Industry: Global Market Report 2023"** only 29% of organizations see CX as their top priority.

These statistics show that CX is being viewed as a nice to have rather than a need to have. This could be, in part, due to the technological limitations that exist in many organizations. Businesses that have outdated or inefficient systems may face difficulties in providing seamless, user-friendly experiences across multiple touchpoints, such as websites, mobile apps, or customer service platforms. Additionally, with out-dated systems businesses may struggle to collect sufficient data that identifies the needs of their client base.

With the rise of AI, businesses have a tremendous opportunity to create a bespoke customer experience, but what they need is a solution that is scalable and easy to train employees on. With that in mind, sentiment analysis has emerged as an AI-based capability that can deliver customer insights that organizations can leverage to create a high-value CX.

AI sentiment analysis measures customer feedback in real-time on every interaction. This analysis helps businesses identify customer satisfaction issues and drive change in the CX. The goal of this report is to explain how sentiment analysis works, how it can help businesses overcome their current challenges and take advantage of the opportunities it creates in CX.

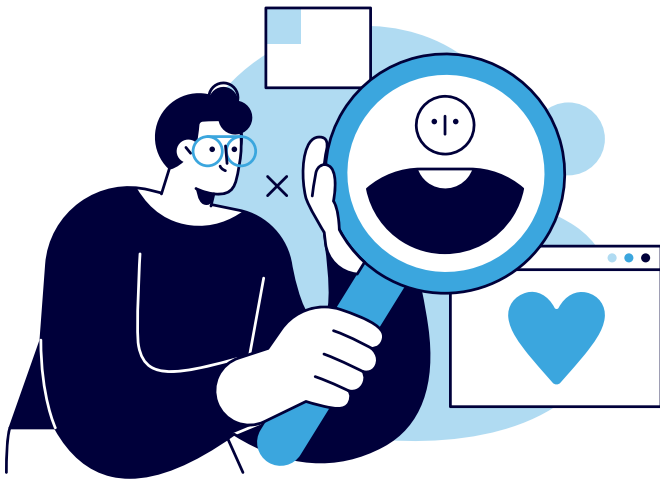




# Sentiment Analysis Cheat Sheet

GBS is proving to take into account the experience of customers and employees when driving process and technology decisions. **SSON Research & Analytics** data shows 81% of organizations hope that creating an uplifting experience drives decision-making for technology design.

With GBS hoping to take CX further into account when making technology-based decisions, a great place to start is with sentiment analysis.



## What is sentiment analysis?

Customer satisfaction is typically gauged by a variety of different scores, which are compiled from surveys given to customers after they have received assistance. The problem with those surveys is customers frequently don't respond to them, or answer incompletely, so businesses are typically only receiving feedback on very few of their overall customer interactions. With sentiment analysis organizations will no longer have to rely on those surveys to understand the feelings of their customers.

Sentiment analysis is a process of extracting subjective information from text-based or voice interactions. It is used to understand customer volume and trends, and most importantly - it interprets the emotional tone of a piece of text, such as whether it is positive, negative, or neutral. This

can be used to understand the feelings of customers, the reputation of your brand online, and any other discourse related to your brand through mediums such as social media.

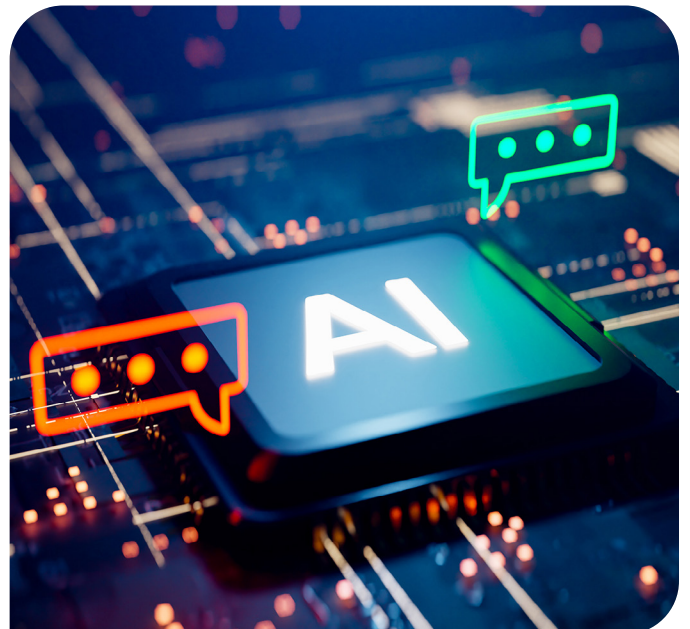
Sentiment analysis is able to reach conclusions thanks to AI models that are built with the large, comprehensive CX dataset it is given to work with. This analysis allows businesses to track a customer interaction through it's entirety of the journey within an organization and determine the overall customer experience.



## What AI-solutions make up sentiment analysis?

### Machine learning

Machine learning is a type of artificial intelligence that allows computers to learn without being explicitly programmed. Machine learning algorithms are used to train sentiment analysis models to identify the emotional tone of a text or voice interaction, including emails, phone calls, chats and social media posts.



## continued

During a spoken interaction, AI uses acoustic and contextual properties to analyze every word spoken during a conversation between a customer and agent, which allows sentiment analysis to understand the customers feelings towards your brand, services and representatives.

This in turn allows call agents to receive real-time assistance while they are on a call with a customer.



### Natural language processing (NLP)

NLP is the field of computer science that deals with the interaction between computers and human language. NLP techniques are used to identify words and phrases that have emotional connotations, such as "happy," "sad," "angry," and "excited."



Combined with machine learning algorithms, sentiment analysis can even understand the context in which these emotional connotations are used. For example, AI can understand when a customer is frustrated or using sarcasm in speech that might normally be deemed as positive.

### How can sentiment analysis teach us about customers?

Sentiment analysis can teach businesses a lot about their customers. For example, sentiment analysis can be used to:

- ✓ Identify customer satisfaction levels
- ✓ Track customer sentiment over time
- ✓ Identify customer pain points
- ✓ Understand customer preferences
- ✓ Identify larger trends in customer sentiment
- ✓ Inform decision making for business strategies, marketing campaigns and product development.

On top of insights into customers, sentiment analysis can also be leveraged to learn more about the agent representatives that are handling those customers and help them reach high performance levels.

- ✓ Understand call volume and trends
- ✓ Measure agent performance
- ✓ Provide instant feedback to call agents

# The Disconnect Between Customers and Businesses

Customers today are more demanding than ever before. They also have more options for products and services, and with social media, plenty of opportunities to share their experiences with those products and how adequate their service experience was – or wasn't. In order to deliver exceptional CX, businesses need to go above and beyond to meet their customers' needs and expectations. However, data suggests businesses are still behind when it comes to understanding what it is exactly their customers need.

## NICE's 2022 Digital-First Customer Experience

**Report** shows us several discrepancies between how customers expect to be serviced and how businesses believe their customers would like to be serviced. For example, 53% of businesses believe their customers are very satisfied with their self-service offerings, but only 15% of consumers agree. Additionally, 52% of consumers say chat is their preferred digital offering, but only 31% of businesses currently offer it.

The following are four factors that demonstrate the shift in customer expectations and are driving businesses to change their customer experience:



### The rise of digital channels

Customers increasingly use digital channels to interact with businesses. This means that businesses need to be able to provide a seamless and consistent experience across all channels.



### The expectation of personalization

Customers expect businesses to personalize their experiences. This means that businesses need to collect and use data to understand their customers' needs and preferences.



### The need for speed

Customers expect businesses to be responsive and efficient. This means that businesses need to have the right systems and processes in place to handle customer inquiries and requests quickly.



### The competition for customer loyalty

Businesses are competing for customer loyalty more than ever before. This means that businesses need to go above and beyond to provide an exceptional customer experience.

Without the right data-driven technology in their hand, businesses today are simply unable to compile a full picture of their customers wants and needs. The current system of surveying customers does not accurately reflect the feelings of the entire customer base, therefore obtaining customer feedback from every interaction is imperative to understanding strengths and weaknesses in the customer experience.

As previously mentioned, there are several measurements that organizations have continuously relied on to understand their customers. Measurements like Customer Satisfaction Score (CSAT), Net Promoter Score (NPS) and Transactional NPS (tNPS) capture how satisfied customers are with their experience and how likely the customer is to recommend that business to someone else, respectively. While this information is useful to know, there are flaws in these insights. First, CSAT and NPS/tNPS are based on survey results that tend to be subjective due to factors such as customer's mood or the time of day when they take the survey. Secondly, the surveys are optional to fill out, meaning the customers who respond don't depict the entire population of a business's customers.

The next section will explain how sentiment analysis metrics can fold into businesses current customer satisfaction capabilities, as well as explore other uses of sentiment analysis that help create a meaningful customer experience.

# Use Cases for Sentiment Analysis

Sentiment analysis offers the next generation of insights into our customers, and as seen in the previous section, this comes at a meaningful time for many. However, sentiment analysis is capable of offering your customer service teams so much more than just customer sentiment information. This section will look at the variety of ways sentiment analysis can be implemented into a business's customer experience strategy.



## Customer satisfaction (CSAT)

Sentiment analysis scoring is a predictive indicator of customer satisfaction metrics such as tNPS. However, sentiment scoring goes deeper by indicating if there might be an issue with an agent's behavior during an interaction, and how that behavior led to either a positive or negative reaction from the customer.

There are agent behavioral AI models that allow systems built for CX to objectively measure agents influence over customer sentiment. These unbiased insights then allow businesses to drive improvements in CX that will ultimately increase customer satisfaction.

Agent behavior has proven to play a crucial role in influencing customer sentiment during interactions. For example, the Enlighten AI solution from NICE improves customer satisfaction by providing an out-of-the-box approach to measuring these behaviors accurately and without bias. By objectively assessing agent performance, managers and agents gain access to reliable metrics they can trust.

Sentiment analysis can be embedded in a Real-time Interaction Guidance application for immediate insights. Through the use of Real-time Interaction Guidance, businesses can accurately and immediately evaluate these behaviors and provide easy-to-understand recommendations to agents. This empowers agents to deliver excellence in every conversation, leading to improved customer satisfaction on a per-interaction basis.

Overall, sentiment analysis offers businesses valuable insights into customer satisfaction by analyzing text and voice data for sentiment and emotion. By leveraging sentiment analysis, businesses can enhance customer satisfaction, improve agent behavior, provide real-time feedback and guidance and ultimately deliver the CX that keeps the business thriving.



## Product performance and sales effectiveness

Keeping customers satisfied is just one part of creating a strong CX, other imperative elements to CX include giving customers products they want and effectively communicating to customers product offerings.

In both product performance monitoring and sales effectiveness, sentiment analysis enables organizations to extract meaningful insights from customer feedback and sentiment data. By understanding customer perceptions, businesses can make data-driven decisions, refine their products, optimize sales strategies, and ultimately enhance customer satisfaction and sales performance.

The following are ways sentiment analysis can analyze and impact product performance:

### 1 Collecting feedback on new products:

Sentiment scoring enables businesses to collect and analyze customer feedback on new products.

### 2 Measuring sentiment over the product lifetime:

Sentiment analysis allows for the continuous monitoring of customer sentiment throughout a product's lifecycle. By tracking sentiment over time, businesses can assess how customer perception evolves as the product matures and make informed decisions based on the feedback received.



## continued

### 3 Measuring satisfaction or dissatisfaction after product changes:

When analyzing sentiment scores, businesses can gauge the impact of product modifications on customer sentiment and make necessary adjustments to enhance the product's performance.

The following are ways sentiment analysis can improve sales effectiveness:

### 1 Assessing sentiment around sales attempts:

Sentiment analysis can provide insights into how well sales initiatives are working. By analyzing sentiment around sales attempts, businesses can understand if their sales strategies are resonating with customers and identify areas where employees may be struggling or succeeding.

### 2 Refining sales initiatives:

Sentiment analysis of sales-related sentiment can indicate whether the overall sales initiative itself needs refinement. By monitoring sentiment scores, organizations can identify patterns of positive or negative sentiment related to sales efforts and make informed decisions to improve their sales strategies.



### Process Improvement

Another important aspect of delivering a meaningful CX is having processes in place that make a seamless, bespoke experience for customers.

Sentiment analysis can help uncover process problems that lead to low customer satisfaction. By measuring sentiment in customer-agent interactions, businesses can identify the most common keywords or topics associated with negative sentiment and low CSAT scores. Not only does this help uncover process problems, but organizations can then quantify the issue to understand its prevalence amongst customers.

For example, one service provider using NICE's Enlighten AI had sentiment analysis reveal that a significant number of conversations revolved around network and Wi-Fi setup, indicating a potential process problem in that area. As a result, the service provider learned they needed to improve self-help options for resetting Wi-Fi connections and even updated agent troubleshooting steps to include reset of wifi up front.

This example shows that by leveraging sentiment analysis, businesses can pinpoint process-related problems, quantify their impact, and drive targeted improvements. This data-driven approach enables organizations to identify and address the root causes of customer dissatisfaction, streamline processes, and ultimately enhance the overall customer experience.





# How One Bank Used Sentiment Analysis to Observe Thousands of Customer-Agent Interactions



## The Challenge

Fifth Third Bank is one of the largest money managers in the midwestern United States, with \$211 billion in assets. For years the bank had relied on customer surveys to gauge customer sentiment about contact center interactions. These surveys gave supervisors little insight into how their agents engaged with customers, and calls sampled from survey responses only provided a limited range of coachable topics. The bank engaged with automated interaction analytics on a limited basis, but when they did supervisors could coach their agents on behavior, as well as metrics.

Fifth Third Bank placed a high priority on being at the top of the rankings for third-party customer satisfaction, as well as improving internal satisfaction KPIs. The business was also set on gaining an improved understanding of customer intent both in real time and in the future. Fifth Third Bank decided a new solution was needed after the incumbent customer survey situation was found lacking on a number of dimensions. Not only did it provide only a small sample size of purely subjective responses, but respondents were clumped into a narrow demographic. This left a wide swath of Fifth Third Bank's customer pool under-represented.



## The Solution

In 2021, Fifth Third Bank took NICE's Interaction Analytics solution, the automated interaction analytics tool it had been using on a limited basis, to thousands of agents representing a much broader range of the bank's activities.

In order to prepare their new agents for working alongside NICE's Enlighten AI solution, Fifth Third Bank deployed training resources to help employees understand the scope and importance of the new speech metrics, along with roundtable

discussions to ease adoption. By late 2021, customer sentiment analysis became the bank's leading customer experience metric. Sentiment analysis and Enlighten AI agent behavioral analysis is now being used in all soft skills and customer experience coaching conversations.

The interaction analytics solution provided both the substance and the sentiment of a much wider range of interactions, proving so impactful that Fifth Third Bank was able to retire its previous survey program.

Bank leaders are now hoping the speech analytics tool can be expanded to support compliance and risk management goals.

**"With NICE's Interaction Analytics solution we can share with our regulators that we're going the extra mile when it comes to ensuring we're following their guidelines and regulations."**

**Kevin Anderson**

**Fifth Third Bank Speech Analytics Program Manager**



## The Result

The use of interaction analytics has proven advantageous for Fifth Third Bank in more ways than one and has led to the bank investing in more NICE AI tools.

In the months following the implementation of NICE's Interaction Analytics solution and the end of their conventional survey program, Fifth Third Bank noticed a variety of cost savings, improved employee productivity, and higher employee compliance.

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Fifth Third Bank is now realizing insights through every call and identifying root causes of short-term call volume trends without having to look back at call logs and transcripts. The bank has now widened its investment in NICE Enlighten AI, which provides a deeper dive into the insights. This additional information gives coaches more topics and more targeted populations for ongoing agent behavioral training that leads to improved customer experience.

As a result of their investment in NICE Enlighten AI, the bank has over 2,300 agent interactions being analyzed by the tool, as well as:

**"Enlighten AI analyzes every interaction and provides additional intelligence on agent behaviors for more effective coaching conversations that improve the customer experience. Our goal is to be number one from a customer experience standpoint, and NICE is helping us climb the ladder in those rankings."**  
**Kevin Anderson**  
**Fifth Third Bank Speech Analytics Program Manager**

✓ **Analysis of 15.7 million calls**

✓ **Seen 77% of calls characterized by speech analytics**

✓ **Repurposed 6 FTEs from optimizations seen by speech analytics**





# Businesses Are Using Sentiment Analysis to Better Serve Their Customers

In conversation with Lauren Maschio, Product Marketing Manager at NICE

## Have customer sentiments changed over the past 3 years and why are businesses struggling to understand how to deliver a meaningful CX?

Three years ago, at approximately the start of the pandemic, most consumers understood that customer service agents were under a lot of pressure – everyone was using online services to do everything from grocery shopping to doctor’s appointments. And once the supply chain challenges became apparent, customers generally displayed patience and understood that many businesses, both global and local, were subject to larger forces beyond their control. Fast forward three years later, customer sentiment tends to fluctuate, but overall customer expectations are higher than ever, with most businesses competing on service in an uncertain economic climate. This means businesses must pivot again to providing expedient, personalized, and smooth CX across all channels. Businesses who struggle to deliver meaningful CX may not have access to the necessarily large interaction datasets, and AI-driven models from which to truly understand their customers and what they want from a CX perspective.

## How does sentiment analysis help businesses overcome challenges in understanding customers such as poor survey participation?

Sentiment analysis helps businesses better understand their customers, by using AI-driven analysis on every interaction, every time. This analysis produces a set of metrics about each customer interaction that helps businesses identify trends, uncover product or process issues, and make it possible to understand what drives satisfied customers. Instead of relying on after-call surveys – which many customers fail to answer or are often not fully completed, and also tend

to skew either very positive or very negative – sentiment analysis applies machine learning models based on millions of CX data points to measure whether a customer interaction is positive, negative, or neutral. This analysis can be done on every single voice or text interaction, and also takes into account the context of an interaction and can determine if a conversation starts negative, and becomes positive, or vice versa. Gathering these types of meaningful insights provides a more holistic understanding of customer satisfaction.

## Can you explain the role sentiment analysis plays in NICE’s Enlighten AI solution ability to create a strong CX?

Analyzing customer sentiment is a reliable indicator of customer satisfaction – and a “satisfied” customer is the goal of every business focused on improving CX. Enlighten AI for Customer Satisfaction uses sentiment, as well as a set of out-of-the-box agent soft skill behavior models that have been proven to drive CSAT. This solution can be embedded into quality and coaching programs to provide objective and consistent evaluations of those agent soft skill behaviors – such as, showing empathy, building rapport, demonstrating ownership, acknowledging loyalty, etc. – on every interaction, along with a sentiment score. **A recent survey** found that agent soft skill behaviors have a direct impact of customer satisfaction and are crucial to winning CX.

Sentiment scores and the Enlighten AI behavioral models provide consistency and objectivity to agents and their supervisors with a set of agreed-upon metrics to measure against. Agents have real-time access to their sentiment scores and the soft-skill behaviors they need to improve. Supervisor performance dashboards make it possible to drill down into specific agent interactions to deliver more efficient and effective personalized coaching.

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### How are businesses using sentiment analysis to better serve their customers as well as their call agents/customer assistance representatives?

Sentiment analysis and scoring is an example of one AI-driven model that provides businesses with insights about not only their customers, but also their agent workforce. The following are different use cases for sentiment analysis:



#### Improve the customer journey

Customers expect to engage with brands on any channel – email, chat, web, voice, etc. – at any given time. AI-driven sentiment analysis scores every interaction, as positive, negative, or neutral, along every touch point of the customer journey.



#### Identify root causes

Sentiment analysis can be used to identify the root cause of product, process or skill-based issues, or if there are bottlenecks in the customer journey that cause dissatisfaction.



#### Optimize routing

Sentiment analysis results, when combined with other data, can be used to route customers to the best agent to meet their needs, while also optimizing customer satisfaction.



#### Real-time coaching

Agents and customer service reps are also empowered via sentiment analytics. Instead of guessing or having to wait for after-call survey results to come in, agents are able to use sentiment scores in real-time, during every interaction. With Enlighten AI, they have immediate insight into their performance of the proven behaviors that drive customer sentiment. Agents can monitor and adjust their performance to match the needs of a customer during a particular interaction, while supervisors can monitor agent performance in real-time and intervene if needed.





# Key Takeaways

In conclusion, the ever-increasing demands of modern customers have created a challenge for businesses to deliver seamless and high-value customer experiences in a cost-effective manner. The importance of CX has been emphasized, especially during times of crisis like the recent pandemic. Research has shown that companies that prioritize customer experience outperform their counterparts in shareholder returns.

However, despite the recognition of the significance of CX, many organizations still view it as a secondary priority rather than a primary focus. This could be attributed to technological limitations and outdated systems that hinder businesses from providing user-friendly experiences and collecting sufficient customer data.

The emergence of artificial intelligence (AI) offers a promising solution to create personalized customer experiences, but scalability and ease of employee training are crucial factors. Sentiment analysis has emerged as an AI-powered capability that provides real-time insights into customer feedback on every interaction. By utilizing sentiment analysis, businesses can identify areas of customer dissatisfaction and make necessary changes to enhance the overall CX.

## Takeaway #1

Sentiment analysis is a process that involves extracting subjective information from a text-based or voice interaction, such as customer feedback or online discourse, to identify the emotional tone conveyed, whether positive, negative, or neutral. It enables organizations to understand the feelings and sentiments of their customers without relying solely on traditional surveys that often have low response rates.

## Takeaway #2

Businesses must recognize the shifting customer expectations and embrace technologies like sentiment analysis to bridge the gap between their assumptions and the actual customer experience.

## Takeaway #3

Sentiment analysis empowers businesses to enhance customer satisfaction, improve product performance, optimize sales effectiveness, and streamline processes. By leveraging sentiment analysis in their customer experience strategy, businesses can gain valuable insights and take data-driven actions to create the meaningful customer experience they aspire to deliver.



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